INFORMATION BULLETIN

2008-3

April 30, 2008

Application of the Tax on Lodging in the Îles-de-la-Madeleine tourist region

This information bulletin is to make public the application of the specific tax on lodging of $2 per overnight stay in the Îles-de-la-Madeleine tourist region as of July 1, 2008 following a request to that effect made by the region's tourist association.

For information regarding the matter dealt with in this information bulletin, contact the Secteur du droit fiscal et de la fiscalité at 418 691-2236.

The French and English versions of this bulletin are available on the ministère des Finances website at : www.finances.gouv.qc.ca

Paper copies are also available, on request, from the Direction des communications, at 418 528-9323.

Finances Québec

APPLICATION OF THE TAX ON LODGING IN THE ÎLES-DE-LA-MADELEINE TOURIST REGION

The government has set up a tourist partnership fund to strengthen and sustain tourist promotion and development in Québec. The fund is financed in part by a tax on lodging applicable to each accommodation unit rented in a sleeping-accommodation establishment located in a Québec tourist region which requests the government accordingly through its regional tourist association (RTA).

RTAs that want the tax on lodging to apply in their territory may choose between the imposition of a specific tax of $2 per overnight stay or an *ad valorem* tax of 3% of the price of each overnight stay.

The revenue generated by this tax, after deducting the costs of its administration, are remitted to the participating regions and the amounts thus remitted are used in accordance with the terms and conditions agreed to in a memorandum of understanding between the ministère du Tourisme and the RTAs of these participating regions. Currently, the tax is applicable in 19 of the 22 Québec tourist regions, namely Montréal, Laval, Québec, Charlevoix, Outaouais, Saguenay–Lac-Saint-Jean, Cantons-de-l'Est, Chaudière-Appalaches, Centre-du-Québec, Gaspésie, Bas-Saint-Laurent, Lanaudière, Mauricie, Abitibi-Témiscamingue, Montérégie, Laurentides, Manicouagan, Baie-James and Duplessis tourist regions.

Following requests submitted by the RTA of Îles-de-la-Madeleine, the specific tax on lodging of $2 per overnight stay will apply in this tourist region as of July 1, 2008.

Accordingly, the tax will be applicable regarding any accommodation unit rented in a sleeping-accommodation establishment located in the Îles-de-la-Madeleine tourist region, when the accommodation unit is billed by the operator of the establishment after June 30, 2008 for occupation after that date.

However, the operator of a sleeping-accommodation establishment will not have to pre-collect the tax in respect of accommodation units billed to a travel intermediary where the price of these units has been set under an agreement reached before July 1, 2008 between the operator and the intermediary, and their occupation by tourist customers takes place between June 30, 2008 and April 1, 2009.

The territorial entities included in the Îles-de-la-Madeleine tourist region are:

— Îles-de-la-Madeleine (geographic code 01023);

— Grosse-Île (geographic code 01042).